

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

X
:
:
: PROMESA
: Title III
:
: Case No. 17-BK-3283 (LTS)
:
: (Jointly Administered)
:
:
X

**JOINDER OF THE AD HOC GROUP OF CONSTITUTIONAL DEBTHOLDERS TO
OBJECTIONS TO NATIONAL MOTION FOR AN INVESTIGATION**

¹ The Debtors in these Title III cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17-BK-3283 (LTS)) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17-BK-3284 (LTS)) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17-BK-3567 (LTS)) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17-BK-3566 (LTS)) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17-BK-4780 (LTS)) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority ("PBA") (Bankruptcy Case No. 19-BK-5233 (LTS)) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

1. The Ad Hoc Group of Constitutional Debtholders (the “Ad Hoc Group”)² has reviewed the objections filed by the Lawful Constitutional Debt Coalition, the QTCB Noteholder Group, and the Ad Hoc Group of General Obligation Bondholders (collectively, the “Objections”)³ to the *Motion of National Public Finance Guarantee Corporation for Entry of an Order Directing an Independent Investigation* [ECF No. 14450] (the “Motion”), and hereby joins in the arguments set forth therein. As discussed in greater detail in the Objections, there is no factual or legal basis for the relief requested in the Motion, which should be denied in its entirety.

2. No member of the Ad Hoc Group has traded securities other than in compliance with the *Order Appointing Mediation Team* [ECF No. 430] and the *Order Regarding Mediation Confidentiality Restrictions* [ECF No. 8686] (collectively, the “Mediation Orders”), nor has any member of the Ad Hoc Group breached the confidentiality requirements thereof. At all times, the members of the Ad Hoc Group have acted consistent with their obligations under the orders of this Court (including, but not limited to, the Mediation Orders) and applicable law.

3. Of the eight current members of the Ad Hoc Group, six members made no trades of relevant securities while participating in the mediation.⁴ One member of the Ad Hoc Group (BlackRock Financial Management, Inc., as investment advisor to certain funds and accounts) made an isolated trade, whereby it sold a small amount of bonds to another mediation participant during the mediation period. Although Silver Point Capital, L.P.’s public trading desk traded

² See Eighth Supplemental Verified Statement of the Ad Hoc Group of Constitutional Debtholders Pursuant to Federal Rule of Bankruptcy Procedure 2019 [ECF No. 14520].

³ See ECF Nos. 14553, 14556, 14562.

⁴ Another current member of the Ad Hoc Group (Fir Tree Capital Management, LP, on behalf of funds for which it serves as investment advisor (“Fir Tree”), which was not a member of the Ad Hoc Group at the time it traded) sold its PBA bonds to GoldenTree Asset Management, LP, a participant in the mediation, in October 2019. At the time of the trade Fir Tree was not a participant in the mediation, was not in possession of confidential information, and did not receive any confidential information from its counterparty. Therefore, it was not restricted by applicable law, the Mediation Orders, or any other order of the Court from making such trade.

during the mediation period, at no time did the firm's public trading desk trade while in possession of confidential information (*i.e.*, materials obtained in connection with participating in the mediation process).

4. The Ad Hoc Group reserves the right to supplement this Joinder and present additional arguments in support thereof, including at the hearing to consider the Motion. The Ad Hoc Group further reserves the right to seek allowance of reasonable costs and expenses incurred by the Ad Hoc Group in connection with responding to the Motion.

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Dated: October 14, 2020

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Counsel for the Ad Hoc Group of Constitutional Debtholders

VERIFICATION

I, Ryan McDonald, an authorized representative of BlackRock Financial Management, Inc., having reviewed the Motion and the joinder to the Objections filed by the Ad Hoc Group, hereby verify and confirm under penalty of perjury under the laws of the United States of America that all of the statements made by counsel in the Joinder regarding the trading activity of funds or accounts under management by or affiliated with BlackRock Financial Management, Inc. are true and correct to the best of my knowledge.

Dated: October 13, 2020

By: /s/ Ryan McDonald

I, Aaron Daniels, an authorized representative of Brigade Capital Management, LP, having reviewed the Motion and the joinder to the Objections filed by the Ad Hoc Group, hereby verify and confirm under penalty of perjury under the laws of the United States of America that all of the statements made by counsel in the Joinder regarding the trading activity of funds or accounts under management by or affiliated with Brigade Capital Management, LP are true and correct to the best of my knowledge.

Dated: October 13, 2020

By: /s/ Aaron Daniels

I, Reggie Dodge, an authorized representative of Emso Asset Management Limited, having reviewed the Motion and the joinder to the Objections filed by the Ad Hoc Group, hereby verify and confirm under penalty of perjury under the laws of the United States of America that all of the statements made by counsel in the Joinder regarding the trading activity of funds or accounts under management by or affiliated with Emso Asset Management Limited are true and correct to the best of my knowledge.

Dated: October 13, 2020

By: /s/ Reggie Dodge

I, Eric Brown, an authorized representative of First Pacific Advisors, LP, having reviewed the Motion and the joinder to the Objections filed by the Ad Hoc Group, hereby verify and confirm under penalty of perjury under the laws of the United States of America that all of the statements made by counsel in the Joinder regarding the trading activity of funds or accounts under management by or affiliated with First Pacific Advisors, LP are true and correct to the best of my knowledge.

Dated: October 13, 2020

By: /s/ Eric Brown

I, Brian Meyer, an authorized representative of Fir Tree Capital Management, LP, having reviewed the Motion and the joinder to the Objections filed by the Ad Hoc Group, hereby verify and confirm under penalty of perjury under the laws of the United States of America that all of the statements made by counsel in the Joinder regarding the trading activity of funds or accounts under management by or affiliated with Fir Tree Capital Management, LP are true and correct to the best of my knowledge.

Dated: October 13, 2020

By: /s/ Brian Meyer

I, Richard Engman, an authorized representative of Mason Capital Management, LLC, having reviewed the Motion and the joinder to the Objections filed by the Ad Hoc Group, hereby verify and confirm under penalty of perjury under the laws of the United States of America that all of the statements made by counsel in the Joinder regarding the trading activity of funds or accounts under management by or affiliated with Mason Capital Management, LLC are true and correct to the best of my knowledge.

Dated: October 13, 2020

By: /s/ Richard Engman

I, Steven Weiser, an authorized representative of Silver Point Capital, L.P., having reviewed the Motion and the joinder to the Objections filed by the Ad Hoc Group, hereby verify and confirm under penalty of perjury under the laws of the United States of America that all of the statements made by counsel in the Joinder regarding the trading activity of funds or accounts under management by or affiliated with Silver Point Capital, L.P. are true and correct to the best of my knowledge.

Dated: October 14, 2020

By: /s/ Steven Weiser

I, Emile du Toit, an authorized representative of VR Advisory Services Ltd, having reviewed the Motion and the joinder to the Objections filed by the Ad Hoc Group, hereby verify and confirm under penalty of perjury under the laws of the United States of America that all of the statements made by counsel in the Joinder regarding the trading activity of funds or accounts under management by or affiliated with VR Advisory Services Ltd are true and correct to the best of my knowledge.

Dated: October 12, 2020

By: /s/ Emile du Toit

CERTIFICATE OF SERVICE

I hereby certify that on this same date, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system, which will send notification of such filing to counsel for the parties of record.

/s/ M^a Mercedes Figueroa y Morgade
USDC PR No. 207108